

FISCAL MEMORANDUM

SB 445 – HB 454

May 16, 2007

SUMMARY OF AMENDMENT (009008): Deletes the language of the original bill. Establishes certain requirements for contracting agents that sell, lease, assign, transfer or convey its list of contracted healthcare providers with contracted, negotiated reimbursement rates to a workers' compensation payor or another contracting agent.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$155,000 Risk Management Fund

Other Fiscal Impact –

Forgo savings which exceed \$179,000 to the Risk Management Fund

Forgo savings to local governments which exceed \$1,000,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

State Expenditures – Net Impact –

Not Significant/Risk Management Fund

A more precise cost estimate is not possible because the Tennessee Municipal League has not provided any information to assist in the preparation of this fiscal note.

Assumption applied to amendment:

- The State's vendor does not lease or sell its network or providers but it does lease a small network of providers from another contracting agent. According to the State's vendor, the provisions of this bill as amended may cause the other agent to no longer lease out that small group of providers. If so, the State's vendor will need to directly contract with these providers if the State wishes to continue to send injured state employees to these providers and receive discounted rates. Alternatively, the state may steer injured state employees to other in-network providers to benefit from discounted reimbursement rates. Neither action will have a significant fiscal impact on the Risk Management Fund.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

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